



Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219
<http://www.cns.state.va.us/dmas>

MEDICAID MEMO

TO: All Nursing Homes participating in the Virginia Medical Assistance Program and Health Maintenance Organizations providing services to Virginia Medicaid recipients

FROM: Dennis G. Smith, Director
Department of Medical Assistance Services

SUBJECT: Nursing Home Cost Reimbursement Limitations

| | |
|-------------|----------|
| <u>MEMO</u> | Special |
| DATE | 12-15-00 |

The purpose of this memorandum is to inform you of the 2001 annual update to certain cost limitations provided for in the Nursing Home Regulations. These updates include the Medical Directors' Fees, Administrator/Owner Compensation Schedules, and Management Fees effective for cost reporting periods ending in calendar year 2001.

COPIES OF MEDICAID PROVIDER MANUALS AND MEMORANDA

DMAS publishes searchable and printable copies of its provider manuals and Medicaid memoranda on the Internet. Please visit the DMAS website at <http://www.cns.state.va.us/dmas/>. Click on "Provider Manuals" for Medicaid and SLH provider manuals or click on "Provider Information" to see Medicaid memoranda. The Internet is the fastest way to receive provider information.

HEALTH MAINTENANCE ORGANIZATIONS

This Medicaid Memo is provided for information only.

"HELPLINE"

The "HELPLINE" is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The "HELPLINE" numbers are:

| | |
|----------------|-----------------|
| 786-6273 | Richmond area |
| 1-800-552-8627 | All other areas |

Please remember that the "HELPLINE" is for provider use only.

MEDICAL DIRECTOR'S FEES

Costs will be allowed up to the established limit per year to the extent that such fees are determined to be reasonable and proper. This limit will be escalated annually by the Consumer Price Index (all urban) January 1 of each calendar year to be effective for all providers' cost reporting periods ending on or after that date. The limits will be published and distributed to providers annually. The following limitations apply to the time periods as indicated:

| | |
|-------------------------------------|---------|
| JANUARY 1, 1988 - DECEMBER 31, 1988 | \$6,204 |
| JANUARY 1, 1989 - DECEMBER 31, 1989 | \$6,625 |
| JANUARY 1, 1990 - DECEMBER 31, 1990 | \$6,944 |
| JANUARY 1, 1991 - DECEMBER 31, 1991 | \$7,333 |
| JANUARY 1, 1992 - DECEMBER 31, 1992 | \$7,641 |
| JANUARY 1, 1993 - DECEMBER 31, 1993 | \$7,878 |
| JANUARY 1, 1994 - DECEMBER 31, 1994 | \$8,130 |
| JANUARY 1, 1995 - DECEMBER 31, 1995 | \$8,350 |
| JANUARY 1, 1996 - DECEMBER 31, 1996 | \$8,592 |
| JANUARY 1, 1997 - DECEMBER 31, 1997 | \$8,841 |
| JANUARY 1, 1998 - DECEMBER 31, 1998 | \$9,062 |
| JANUARY 1, 1999 - DECEMBER 31, 1999 | \$9,216 |
| JANUARY 1, 2000 – DECEMBER 31, 2000 | \$9,437 |
| JANUARY 1, 2001 – DECEMBER 31, 2001 | \$9,739 |

MANAGEMENT FEES

Limits will be based upon comparisons with other similar size facilities and/or other DMAS guidelines and information.

Effective for all cost reporting periods ending on or after October 1, 1990, a per patient day ceiling for all full service management service costs shall be established. The ceiling limitation for cost report periods ending on or after October 1, 1990, through December 31, 1990, shall be the median per patient day cost as determined from information contained in the most recent cost reports for all providers with fiscal years ending through December 31, 1989. These limits will be adjusted annually by a Consumer Price Index (all urban) effective January 1 of each calendar year to be effective for all provider cost reporting periods ending on or after that date. The limits will be published and distributed to providers annually.

The following limits per patient day apply to the time periods indicated:

| | |
|-------------------------------------|--------|
| OCTOBER 1, 1990 - DECEMBER 31, 1990 | \$2.81 |
| JANUARY 1, 1991 - DECEMBER 31, 1991 | \$2.97 |
| JANUARY 1, 1992 - DECEMBER 31, 1992 | \$3.09 |
| JANUARY 1, 1993 - DECEMBER 31, 1993 | \$3.19 |
| JANUARY 1, 1994 - DECEMBER 31, 1994 | \$3.29 |
| JANUARY 1, 1995 - DECEMBER 31, 1995 | \$3.38 |
| JANUARY 1, 1996 - DECEMBER 31, 1996 | \$3.48 |
| JANUARY 1, 1997 - DECEMBER 31, 1997 | \$3.58 |
| JANUARY 1, 1998 - DECEMBER 31, 1998 | \$3.67 |
| JANUARY 1, 1999 - DECEMBER 31, 1999 | \$3.73 |
| JANUARY 1, 2000 – DECEMBER 31, 2000 | \$3.82 |
| JANUARY 1, 2001 – DECEMBER 31, 2001 | \$3.94 |

**DMAS ADMINISTRATOR/OWNER COMPENSATION SCHEDULE
JANUARY 1, 2001- DECEMBER 31, 2001**

| Bed Size | 1 Administrator | 2+ Administrators |
|-----------------|----------------------------|------------------------------|
| 1 - 75 | \$ 48,086 | \$ 72,126 |
| 76 - 100 | 52,143 | 78,208 |
| 101 - 125 | 59,960 | 89,942 |
| 126 - 150 | 67,779 | 101,672 |
| 151 - 175 | 75,887 | 113,836 |
| 176 - 200 | 83,715 | 125,567 |
| 201 - 225 | 89,581 | 134,361 |
| 226 - 250 | 95,442 | 143,169 |
| 251 - 275 | 101,310 | 151,963 |
| 276 - 300 | 107,177 | 160,766 |
| 301 - 325 | 113,039 | 169,565 |
| 326 - 350 | 118,907 | 178,365 |
| 351 - 375 | 124,853 | 187,280 |
| 376 & Over | 131,097 | 196,646 |

These limits will be escalated annually by the Consumer Price Index (all urban) effective January of each calendar year to be effective for all providers' cost reporting periods ending on or after that date. The limits will be published and distributed to providers annually.